6450-01-P

DEPARTMENT OF ENERGY

[OE Docket No. RRTT-IR-001]

Rapid Response Team for Transmission

AGENCY: Office of Electricity Delivery and Energy Reliability, Department of Energy.

ACTION: Request for Information.

SUMMARY: The Department of Energy's Office of Electricity Delivery and Energy Reliability is seeking information on the questions related to permitting of transmission lines. In responding to this RFI, please specify the role of your company or agency in the electric sector.

DATES: Comments must be submitted on or before [insert date 30 days after date of publication in the *Federal Register*]

ADDRESSES: Comments should be addressed to: Lamont Jackson, Office of Electricity Delivery and Energy Reliability, Mail Code: OE-20, U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585. Because of delays in handling conventional mail, it is recommended that documents be transmitted by overnight mail, by electronic mail to Lamont.Jackson@hq.doe.gov, or by facsimile to 202-586-8008.

FOR FURTHER INFORMATION CONTACT: Lamont Jackson (Program Office) at 202-586-0808, or by e-mail to Lamont.Jackson@hq.doe.gov

SUPPLEMENTARY INFORMATION:

Infrastructure projects--such as high voltage, long distance, electric transmission facilities—often involve multiple Federal, State, local and Tribal authorizations and are subject to a wide array of processes and procedural requirements in order to obtain all necessary permits and other authorizations. Delays in securing required statutory reviews, permits, and consultations can threaten the completion projects of national and regional significance.

As our nation moves towards cleaner, more diverse fuel sources and responds to state renewable energy standards, a number of developers are looking to build electric generators where the fuel is most abundant, which is often far from electric customers, thereby requiring long transmission lines. At least three problems may arise when trying to develop this type of infrastructure: (1) non-synchronous evaluations by all governmental entities with jurisdiction; (2) uncertainty about whether all necessary permits and approvals will be received; and (3) significantly different development times for generation and transmission. This Request for Information is focused on making the development times for generation and transmission to be more commensurate with one another.

While most types of electric generators can be developed within a few years, developing the transmission necessary for that generation may take much longer. The differential in development times between generation and transmission creates a Catch-22 that inhibits the development of both. (Of course if a load serving entity is developing both the generation and transmission for its own customers, then no such Catch-22 exists.) While

generation developers need assurance that transmission will be built before they will commit to building the generation, the transmission developers need a commitment that the generation will be built. As the differential in development times increases, the Catch-22 deepens, thereby hampering the building the infrastructure this Nation needs.

<u>Presidential Memorandum--Speeding Infrastructure Development through More Efficient</u> and Effective Permitting and Environmental Review

On August 31, 2011, the President issued a memorandum to the heads of Executive Departments and Agencies. That Memorandum states:

in the current economic climate it is critical that agencies take steps to expedite permitting and review, through such strategies as integrating planning and environmental reviews; coordinating multi-agency or multi-governmental reviews and approvals to run concurrently; setting clear schedules for completing steps in the environmental review and permitting process; and utilizing information technologies to inform the public about the progress of environmental reviews as well as the progress of Federal permitting and review processes.

It further states that agencies should "ensure that their processes for reviewing infrastructure proposals work efficiently to protect our environment, provide for public participation and certainty of process, ensure safety, and support vital economic growth."

Rapid Response Team for Transmission

Recognizing the need for Federal agencies to coordinate their efforts on transmission and to quickly respond to challenges, nine Federal agencies have been closely coordinating their review of electric transmission on Federal lands under a joint Memorandum of Understanding (MOU) executed in 2009.

Building on the cooperation developed through the MOU, and in response to the Presidential Memorandum, on October 5, 2011, the Administration announced the creation of a Rapid Response Team for Transmission (RRTT).

The RRTT aims to improve the overall quality and timeliness of electric transmission infrastructure permitting, review, and consultation by the Federal government on both

Federal and non-Federal lands through:

- Coordinating statutory permitting, review, and consultation schedules and processes among involved Federal and state agencies, as appropriate, through Integrated Federal Planning;
- Applying a uniform and consistent approach to consultations with Tribal governments; and,
- Resolving interagency conflicts and ensuring that all involved agencies are fully engaged and meeting timelines.

Participating Agencies include: the Department of Agriculture, the Department of Commerce, the Department of Defense, the Department of Energy, the Department of Interior, the Environmental Protection Agency, the Federal Electric Regulatory Commission, the Advisory Council on Historic Preservation, and the White House Council on Environmental Quality.

Request for Information (RFI)

Building upon the Presidential Memorandum and in support of the RRTT, the Department of Energy's Office of Electricity is seeking information on the questions asked below. In responding to this RFI, please specify the role of your company or agency in the electric sector.

(1). The development timelines for generation and attendant transmission are often not coordinated or run concurrently. Because of the lengthy time to obtain regulatory reviews, permits and approvals (collectively "Regulatory Permits"), major new transmission lines can take significantly longer to develop than some types of generation to which the transmission would connect. This Request for Information will refer to the difference in development times between generation and transmission as "Incongruent Development Times." Please answer the following 1:

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¹Since the Catch-22 is avoided when a load-serving entity is developing the generation and transmission for its own customers, for purposes of answering the questions, please assume that non-LSE's are developing the generation and its attendant transmission.

- a. Describe the challenges created both by the timeline for obtaining
 Regulatory Permits for transmission and by the Incongruent Development
 Times.
- b. To what extent do the Incongruent Development Times hamper transmission and/or generation infrastructure development?
- c. What are the primary risks associated with developing transmission vis-àvis the timeline for obtaining Regulatory Permits as well as the Incongruent Development Times?
- d. How is the financing for developing the attendant transmission influenced by its lengthy development time and by the Dissonant Development Times?
- e. How if at all, do development timelines and the Incongruent Development

 Times affect the decisions made in utilities' integrated resource planning,

 if applicable?
- f. How do development timelines and the Incongruent Development Times affect the ability of parties to enter into open seasons or power-purchase agreements?

- (2) Besides improving the efficiency of permitting and approving transmission, are there any other steps the federal government² could take to eliminate the barriers created by the Dissonant Development Times?
- (3) What strategies can the Federal government take to decrease the time that Federal agencies require for evaluating Regulatory Permits for transmission? What other steps can the Federal government take to address the challenges created by Incongruent Development Times?
- (4) One way to make the Regulatory Permit process and development times between remote generation and attendant transmission more commensurate, is to decrease the time for permitting transmission by some amount. In determining how much time can be saved, developing a benchmark may be helpful. What benchmark should be used?
 - a. Example power purchase agreements as the benchmark: how far in the future do load serving entities (LSE's) seek to purchase energy or capacity from remote resources? Do LSE's seek PPAs that begin delivering energy/capacity 3 years from the signing of the PPA? 7 years? 10 years? Please explain why PPA's are signed at this time.

² While Incongruent Development Times are caused by a number of forces including state, local and Tribal decisions, the parties to the MOU are only Federal agencies and, therefore, this RFI focuses on how the federal agencies can improve their own processes.

b. Example – development times as the benchmark: How long does it take to design, permit and build different types of remote generation?

(5) In your experience, how long does it take to design, permit and build transmission?

(6) Assume that Federal, state, Tribal and local governments sought to set a goal for the length of time used for completing the Regulatory Permitting process for transmission projects so that the development times between generation and transmission were more commensurate, what goal should that be? As the length of the project and the number of governments with jurisdictions increase so will the time necessary for permitting and approvals; accordingly, consider providing a goal that could be scalable according to the length of the line.

Interested parties to this RFI might include, but are not limited to: federal and state agencies, Native American Tribes, transmission developers, renewable energy developers, investors, manufacturers, electric utilities, independent power producers, non-governmental organizations, academics, and other public, private, or non-profit entities

Issued in Washington, D.C., on February 21, 2012.

Brian Mills

Director, Permitting and Siting Office of Electricity Delivery and Energy Reliability

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